Redemption-exchange means any authorized redemption of eligible securities for the purpose of applying the proceeds in payment for other securities offered in exchange by the Treasury.

Savings bond(s) or *bond(s)* means a definitive United States Savings Bond of Series A, B, C, D, E, EE, or I.

Savings notes(s) or *notes(s)* means a United States Savings Note (Freedom Share).

Security or *securities* means a savings bond or savings note, as defined in paragraphs (h) and (i) of this section.

Special endorsement means a procedure under which a security is redeemed by an agent, qualified under the provisions of this part, for cash or on redemption-exchange (or forwarded for redemption to a TRS Site), utilizing a special stamp placed on the security in lieu of a request for payment signed by the owner.

[53 FR 37519, Sept. 26, 1988, as amended at 59 FR 10538, 10539, Mar. 4, 1994; 63 FR 38044, July 14, 1998; 77 FR 16169, Mar. 20, 2012]

§ 330.2 Qualification for use of special endorsement.

(a) *Application for authority.* Any financial institution qualified as a paying agent of savings bonds and notes under the provisions of Department of the Treasury Circular No. 750, current revision, may establish its eligibility to employ the special endorsement procedure by executing and submitting the appropriate application-agreement form to the designated Federal Reserve Bank. In executing the form, the agent certifies that, by duly executed resolution of its governing board or committee, it has been authorized to apply for the privilege of paying and processing securities in accordance with the provisions and conditions of this part (Circular No. 888, including all supplements, amendments, and revisions, and any related instructions). If the application is approved, the designated Federal Reserve Bank will issue a certificate of qualification.

(b) *Agents previously qualified.* Paying agents qualified under previous revisions of this part are authorized to continue to act without requalification. They shall, however, be subject to the terms and conditions of the previously

executed application and these regulations in the same manner and to the same extent as though they had requalified hereunder.

(c) *Termination of qualification.* The Secretary of the Treasury reserves the right to withdraw the special endorsement authority from any paying agent at any time. Such authority will also be terminated at any time at the request of the paying agent. In either event, formal notice of the termination shall be given to the agent in writing by the designated Federal Reserve Bank.

[53 FR 37519, Sept. 26, 1988, as amended at 59 FR 10539, Mar. 4, 1994]

§ 330.3 Special endorsement of securities.

(a) *Form of endorsement.* Each security processed under the provisions of this part shall bear the following endorsement:

Request by owner and validity of transaction guaranteed in accordance with Treasury Department Circular No. 888, as revised. (Name, location and paying agent code number assigned by a TRS Site.) (Name, location, and paying agent code number assigned by designated Federal Reserve Bank.)

This endorsement must be legibly impressed in black or other dark-colored ink on the back of the security in the space provided for the owner to request payment.

(b) *Endorsement stamps.* Endorsement stamps may be obtained from a TRS Site or, with its approval, purchased by the agent. Requests for stamps to be furnished or approved by a TRS Site must be made in writing by an officer of the paying agent. Stamps procured by an agent may not exceed a space bounded by 1¾ inches vertically and 3 inches horizontally. They must follow exactly the wording prescribed. They may also include space for the transaction date and the initials or signature of the officer or employee authorized to approve the transaction.

(c) *Securities registered in coownership or beneficiary form.* In the case of securities registered in coownership or beneficiary form, the agent shall indicate which person, whose name is inscribed thereon, requested payment or exchange by encircling in black or other